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# Social Justice Report 2005

## FACT SHEET ONE:

### Reforms to the Community Development Employment Program

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The new arrangements for Indigenous affairs have brought about a number of changes to programs for Aboriginal and Torres Strait Islander peoples. During the past year, the Australian Government has reviewed the operation of the Community Development Employment Program (CDEP) and aligned it with mainstream employment programs.

For unemployed Aboriginal and Torres Strait Islander peoples who live in communities where there are only slight chances of employment, there are two potential sources of income:

- **Unemployment benefits.** In remote communities, where chances of employment are slight, there is currently a 'remote area exemption' (RAE) on the unemployment benefit activity test. –Applying the activity test rigidly, as outlined in the proposed changes would punish people who have no opportunities to actively seek work.
- **Community Development Employment Program (CDEP).** The CDEP scheme enables local Indigenous organisations to provide employment and training as an alternative to income support. In return for part-time work that is beneficial to their community, CDEP participants receive wages at a similar level to income support benefits.

Initially, the CDEP scheme enabled local Indigenous organisations to provide employment and training as an alternative to unemployment benefits. CDEP is a scheme that is led by the local community and the CDEP participants. Any activity that benefits the community can be a CDEP activity.

Indigenous communities may see changes to their local CDEP in the following areas:

- CDEP's major focus is to move Indigenous peoples' into non-CDEP jobs and to form relationships with job networks to enhance this process.
- CDEP will take on a range of other activities related to the implementation of Shared Responsibility Agreements (SRAs).
- CDEP will manage the activities of social security recipients who are affected by the phasing out of the Remote Area Exemption.

#### **Moving Indigenous peoples' into non-CDEP jobs**

This will be an area that our Office will be monitoring together with the new arrangements for Indigenous affairs.

#### **Removal of the Remote Area Exemption**

A number of trials have taken place in Indigenous communities across Australia where the Remote Area Exemption will eventually be removed. These trials will be followed

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with a second phase of trials in another group of communities. At the completion of this process there will be a complete removal of the Remote Area Exemption.

Once the Remote Area Exemption is completely phased out, those communities who could claim it and be exempt from completing an activity test, will now have to undertake activities beneficial to their communities in order to receive income support.

### **How this relates to CDEP**

The CDEP and the activities required to fulfil the activity test could be administered from the CDEP organisation operating in a community. This would result in two streams of activity in a community being administered by the local CDEP program:

- activities to satisfy the activity test in order to receive unemployment benefit; and
- activities for CDEP wages.

This may cause administrative problems for CDEP organisations if they have inadequate resources to carry out the two functions. The amount provided under income support is slightly less than the 'work for wages' CDEP amount, because CDEP is intended to create an incentive to work for wages. If the proposed changes are implemented, CDEP and the activity test (employment programs) will essentially be the same though paid differently.

### ***SRA and CDEP***

A number of SRAs are contingent upon CDEP labour. For example, if an Indigenous community negotiates a SRA to undertake maintenance on housing, the local CDEP may be engaged to provide the labour.

It is important that if an SRA is reliant on CDEP labour that additional CDEP places are provided to carry out SRA obligations rather than utilising the existing CDEP places.

In some cases it is not clear whether the government has allocated additional CDEP places for the community or not. Any redirection of CDEP places needs to be carefully considered to ensure that basic services do not suffer from such a redirection of labour.

Indigenous communities need to be aware that SRA obligations and CDEP obligations are separate. Where CDEP labour is negotiated as part of an SRA agreement, Indigenous communities may wish to negotiate further resources and/or CDEP places so that programs already operating under CDEP are not impeded upon.

If governments are negotiating an SRA in a community it should look to the already established CDEP program and try and link the activities of the CDEP to the SRA.

The Office of Indigenous Policy Coordination have explicitly stated that SRAs will not put additional conditions on Indigenous peoples' access to benefits or services. Steps will be necessary to ensure that communities fully understand the role of the CDEP scheme in the performance of the SRA.

The Australian Government has indicated that in essence, the proposed changes will increase Indigenous peoples' participation in employment related activities. It is

envisaged that by increasing Indigenous peoples' participation in such activities, it will strengthen the economic viability of those communities and increase the number of Indigenous peoples' in paid work.

The reforms to CDEP raise two clear issues for Indigenous communities. They are:

- The need for Indigenous communities to have clear and concise information about the new arrangements and specifically how the usage of CDEP labour to carry out SRAs could effect their communities; and
- The importance of meaningful participation and engagement of Indigenous communities in all facets of agreement making so that such reforms have a positive effect on the communities involved in them.